

He said to me that it was not up to himself alone, but it was up to the council.

Then he made a comment that he questioned whether the Palestinian Authority had received sufficient credit for the change of its Charter eliminating the provisions in the PLO Charter calling for the destruction of Israel.

In 1995, Senator SHELBY and I proposed legislation, which was enacted, that conditioned U.S. payments to the Palestinian Authority on changing the Charter and on making the maximum effort against terrorists, so that when Chairman Arafat raised the question about whether there had been sufficient recognition given to the Palestinian Authority for changing the Charter, I told him that I thought he was probably right and that there had not been sufficient recognition given to the Palestinian Authority for that change.

He then asked me if there would be recognition given to the Palestinian Authority if it resisted a unilateral declaration of statehood.

I said to Chairman Arafat that I personally would go to the Senate floor on May 5 if a unilateral declaration of statehood was not made on May 4.

Being a good negotiator, which we know Chairman Arafat is, he asked if I would put that in writing. I said that I would. On March 31 of this year, I wrote to the chairman as follows:

DEAR MR. CHAIRMAN: Thank you very much for coming to my Senate hideaway and for our very productive discussion on March 23rd.

Following up on that discussion, I urge that the Palestinian Authority not make a unilateral declaration of statehood on May 4th or on any subsequent date. The issue of the Palestinian state is a matter for negotiation under the terms of the Oslo Accords.

I understand your position that this issue will not be decided by you alone but will be submitted to the Palestinian Authority Council.

When I was asked at our meeting whether you and the Palestinian Authority would receive credit for refraining from the unilateral declaration of statehood, I replied that I would go to the Senate floor on May 5th or as soon thereafter as possible and compliment your action in not unilaterally declaring a Palestinian state.

I look forward to continuing discussions with you on the important issues in the Middle East peace process.

Sincerely,

ARLEN SPECTER.

Mr. President, I decided to make this public comment to emphasize my view, and I believe the view shared by many, if not most, in the Congress of the United States that, in fact, the Palestinian Authority should not unilaterally declare statehood, but should leave it to negotiations under the Oslo accords.

I thank the Chair.

I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Wyoming is recognized.

Mr. THOMAS. Thank you, Mr. President.

Mr. President, I would like to talk for about 10 minutes as if in morning business, if I may.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator is recognized.

Mr. THOMAS. I thank the Chair.

SOCIAL SECURITY

Mr. THOMAS. Mr. President, clearly the discussions on Kosovo are dominating the day and should. But I hope that we don't forget that we do have an agenda that we need to go forward with as well. So I want to talk a few minutes today about Social Security.

Specifically, I would like to talk a little bit about our efforts to protect and strengthen the Social Security system. We have talked about it for a very long time.

It is not a surprise that without some changes, the Social Security program will not be able to accomplish what it is designed to accomplish. Nearly everyone recognizes that we have to do something different than we have been doing. I will, in fact, say that there is not a consensus as to what that "something different" ought to be.

But the goal surely can be shared by most everyone. The goal is to be able to know that we can continue to provide benefits for the beneficiaries and those that are close to being beneficiaries, and at the same time be able to provide benefits in the long run for young people who are now just beginning to have deducted from their salary Social Security payments. I suspect all of us want to do that.

I have a mother who I am concerned about who has Social Security. I have 5-year-old twin grandchildren and I am anxious about their security. That is the kind of issue we have.

I notice today's newspaper expresses relief that we will go forward with Social Security. There was some discussion last week that it would not move.

I will talk a little bit about the lockbox legislation. We are seeking to push through a Social Security lockbox. What does that mean? It means we take that amount of money which comes in as Social Security now and set it aside so that it will be used for Social Security.

Over the years, we have had what is called a unified budget, and all the money that comes in—whether from Social Security, income tax, highway funds, or whatever—goes into the unified budget.

This year, for the first time in 25 years, we have had a balanced budget, but it is a unified budget. If you took Social Security out of that balanced budget, it would not be balanced. Indeed, it would be somewhat in deficit.

We need to understand what that is. Now that we are close to having a unified budget in balance and close to having it without Social Security, now we have an opportunity to do the things with Social Security dollars that I believe we need to do.

The lockbox is designed to guarantee that all Social Security surplus funds will be reserved for Social Security alone. This, of course, has not been the case. It is difficult to do, frankly. We have never had a place to put it. When we have a life insurance program or an annuity program, there has to be somewhere to put those funds so they draw interest. Of course, under the law, the only place they can be invested is in government securities.

They are set aside here, but they are spent. Of course the President is suggesting he would raid the Social Security to the tune of about \$158 billion, after having talked for 2 years about saving Social Security.

I am concerned that the current debate is going to become very difficult: How do we pay for Kosovo? How do we pay for increasing the support of the military? How do we pay for the emergency funds that are in the process of being provided for Central America?

We have budget spending limits which I think are key to keeping a smaller Government, to keeping a responsible Government. When we go outside of those spending limits with emergency spending, it goes from Social Security. Last year, for example, the President insisted, with the threat of closing down Government, that we had to spend \$20 billion in emergency funding. I suppose no one would argue if emergency funds are a genuine emergency, such as weather disasters or taking care of our troops in Kosovo, we are going to do that, by all means. When we start talking about how we build up the Armed Forces, I think we ought to take a look at whether that comes as an emergency or, in fact, comes out of our budget.

We are trying to move to some kind of financially sound lockbox. In 2014, Social Security begins to run in a deficit. Social Security started about 60 years ago, I think—in the 1930s. People paid 1 percent of \$3,000—\$30—into Social Security. There were 31 people working for every beneficiary. Of course, now that has changed. Now we all pay 12.5 percent of our earnings up to \$70,000 or more, moving up. There are, I think, fewer than three people working for each one drawing benefits. In the near future, it will be fewer than two. That is the sort of dilemma with which we are faced.

I suppose there are many considerations to look at, but there are three that are obvious.

One, you could reduce benefits. Not many are prepared to do that; even though Social Security, of course, is not a retirement program, it is a supplementary program. For a high percentage of people, that is, indeed, their largest income requirement.

Two, you could increase taxes. I don't think there is a great deal of excitement about that. I do not think it is a great idea. Social Security taxes are the largest tax that most Americans pay.

Three, increase the rate of return on the money that is in the trust fund.